



REDEVELOPMENT AGENCY

STAFF REPORT

Discussion and Direction on Request for Additional Funding for Mental Health Association of San Mateo County's Belmont Apartments, 800 F Street

Honorable Chair and Directors:

Summary

On October 12, 2004, the Redevelopment Agency reviewed a request from the Mental Health Association of San Mateo County additional funding totaling \$240,000 for the project (see attached staff report and exhibits).¹ The RDA Board requested an update on the Housing Fund account to assist the Board in responding to the request. This staff report summarizes the current condition and five-year budget of the Housing Fund.

Housing Fund

The Agency's LMI Housing Fund began fiscal year 2004-05 with a balance of \$6.8 million and is forecast to receive \$1.7 million from tax increment revenues over the course of the year. It is also expected to receive a similar annual income over the next four years for a total of \$15.3 million available for five years (FY 2005-09). The adopted five-year capital improvements program (see chart below) totals \$3.6 million, plus \$4.5 million in debt service and administrative expenses. Therefore, there are \$7.2 million of undesignated funds in the LMI Fund (\$15.3 million less \$8.1 million).

<i>LMI Capital Improvements</i>	<i>FY 2005</i>	<i>FY 2006</i>	<i>FY 2007</i>	<i>FY 2008</i>	<i>FY 2009</i>
Single Family Rehab & Repair	75,000	75,000	75,000	75,000	75,000
Home Buyer Assistance	300,000	300,000	300,000	300,000	300,000
1055 6 th Avenue Maintenance	5,000	5,000	5,000	0	0
Multi-Family Housing Rehab	100,000	100,000	100,000	100,000	100,000
Emmett House	1,020,000	0	0	0	0
730 El Camino	0	10,000	10,000	0	0
ADD - Mental Health Assoc. Fees	206,000	0	0	0	0
TOTAL	1,706,000	490,000	490,000	475,000	475,000

¹ The RDA has already granted funds for payment of City fees, not to exceed \$206,000.

Funding Request

The Board may recall that the Mental Health Association of San Mateo County is seeking \$40,000 to pay the project's sewer connection fee to the City of San Carlos and supplemental funding of \$200,000 for a total of \$240,000. The specifics of the request are detailed on the attachments to this memo.

Fiscal Impact

The Low and Moderate Income Housing Fund has sufficient funds for the entire amount of the request without adversely affecting the Fund's five-year spending plan.

Recommendation

Direct staff to make arrangements for payment to the Mental Health Association of San Mateo of an amount deemed appropriate by the Agency to support the 25-unit affordable housing project at 800 F Street.

Alternatives

1. Provide no additional funds and deny the request.
2. Provide additional funds in the amount of:
 - A. \$ 40,000 (sewer fees to the City of San Carlos), or
 - B. \$200,000 (supplemental request), or
 - C. \$240,000 (sewer fee plus supplemental request), or
 - D. Other amount.
3. Continue the item for additional information based on Agency direction.

Attachments

- A. Staff Report of October 12, 2004, with attachments

Respectfully submitted,

Craig A. Ewing, AICP
Administrative Officer

Daniel Rich
Interim Executive Director